

# 2021 CX insights: Engaging the savvy consumer

Third annual study uncovers the consumer trends that matter most.



Ready for Next

# As the drive to digital accelerates, firms need to keep pace with new consumer expectations.



## COVID changed everything—or did it?

Consumers suddenly had to rely on digital channels for work, shopping and social interaction. They expected more from their communication experiences and are more likely to abandon companies whose CX didn't measure up.

**Yet while COVID added fuel to existing digital trends, it didn't spark an instant shift from physical to digital communications.** Most organizations still have work to do if they want to accelerate digital adoption. The reality is, it now takes more to deliver the kind of CX that boosts customer retention, acquisition, upsell and net promoter scores.

Our 2021 study provides a clear picture of where consumers are and where they're going—**and uncovers the three things companies need to do to meet the moment.**

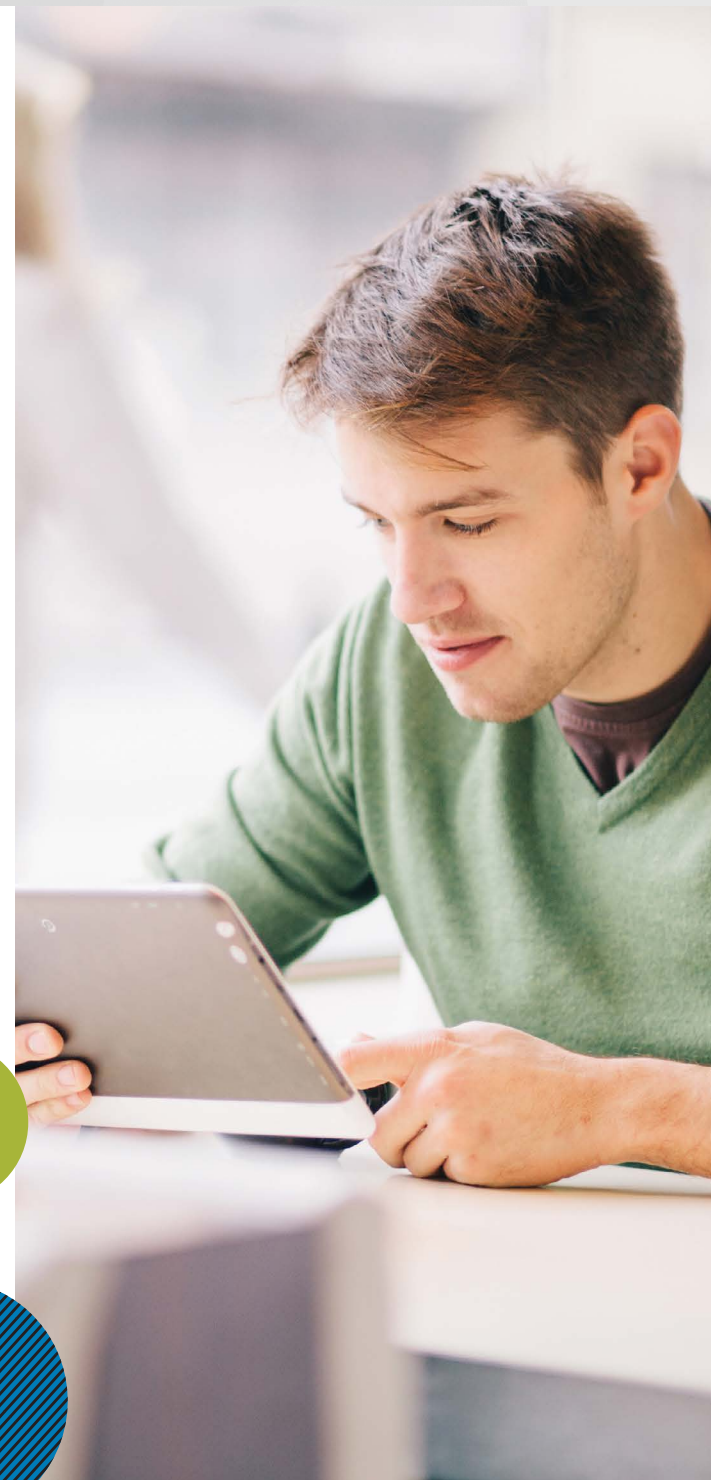
- 1 Deliver on the value of your communications.**  
Increase the value of print and digital experiences based on customer needs.
- 2 Provide seamless channel and preference management.**  
Leaders excel in cross-channel interactions.
- 3 Embrace digital experimentation and expand your toolkit.**  
Keep up with the pace of change:  
Employ new technologies based on what consumers expect next.

## Table of contents

1	The COVID impact	4
2	The costs and reward of getting your CX right	11

## Success factors

3	Deliver on the value of your communications	15
4	Seamless channel and preference management	19
5	Embrace digital experimentation	22
6	Ready for Next	27



# Engagement is forever changed.

The pandemic challenged consumers and businesses to do things differently. Companies found themselves reinventing their business models, launching new solutions and offering more options. Consumers changed how they work, transact and interact. Many temporary measures have become new norms.



### 56% of consumers agree:

The COVID-19 pandemic has fundamentally changed how they communicate and engage with companies—for good.



**32%** made an online bill payment.



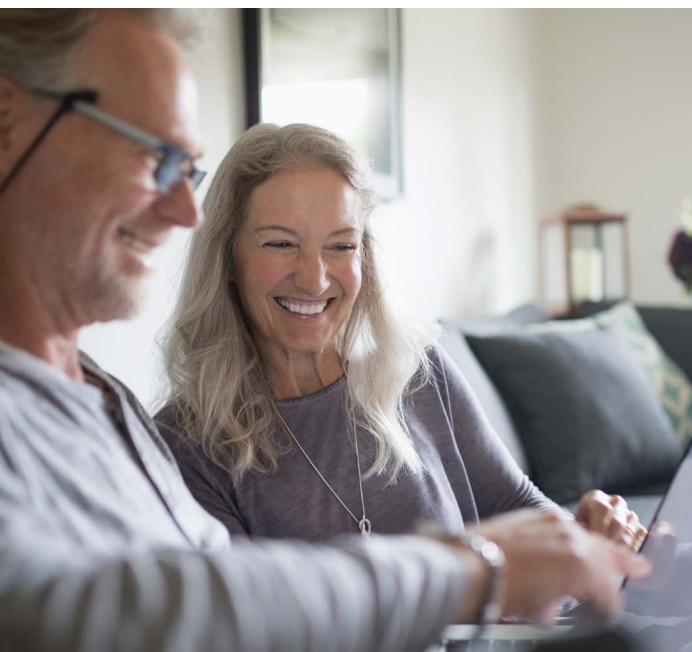
**22%** created an online account.



**22%** downloaded the company's mobile app.



**20%** provided a personal email address or phone number.



### COVID has more than half of Boomers thinking digital.

Consumers across every generation engaged digitally in new ways with their providers, but many still weren't ready to give up on paper.

% engaging digitally  
in a new way for  
the first time since the  
start of the pandemic

#### MILLENNIALS



#### GEN X



#### BABY BOOMERS



## The Broadridge Perspective

It's not easy to convince long-time customers to abandon paper. Yet, a willingness to try new things spells opportunity. It's a key time to closely track digital engagement data, uncover needs, update personas and ask customers for eConsent.

### ► Deliver a relevant experience to change old habits.

In 2021, Bank of America reported that nearly 40 million of their 66 million customers are now using digital channels. A quarter of these new digital customers are Baby Boomers.<sup>1</sup>

In January and February of 2020, Humana members were scheduling a few hundred telemedicine visits per day. By April that number increased to over one million.<sup>2</sup>



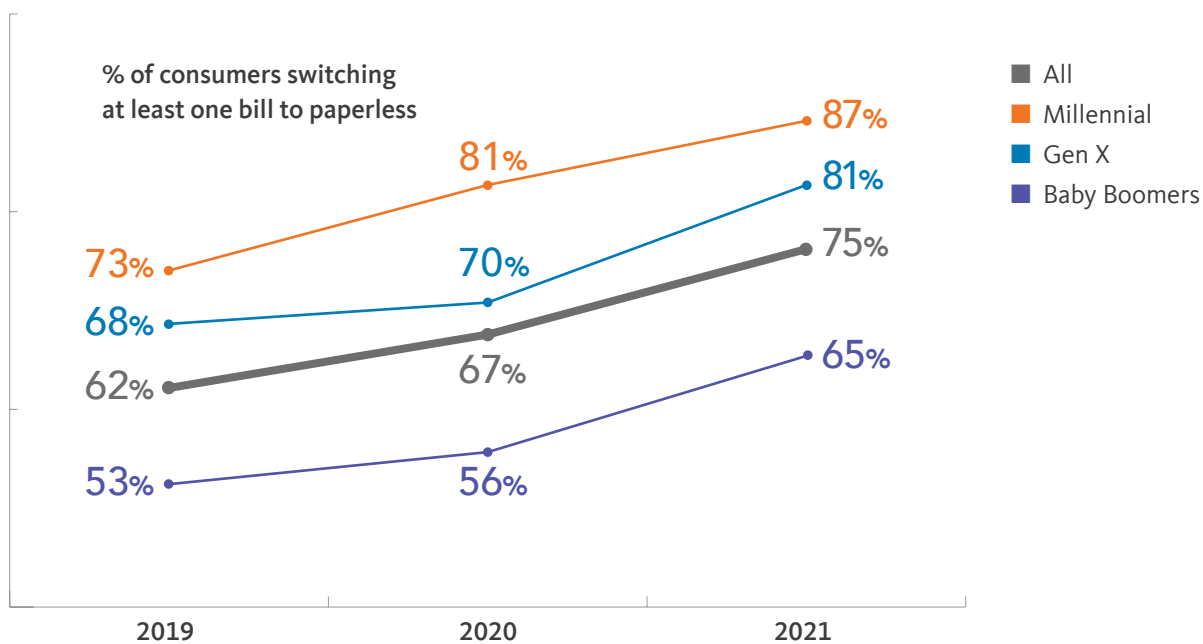
## Paper is resilient, and the digital evolution continues.

There are no silver bullets. Demand for physical bills and statements didn't disappear overnight. Instead, the shift to digital-only continued at a gradual pace.

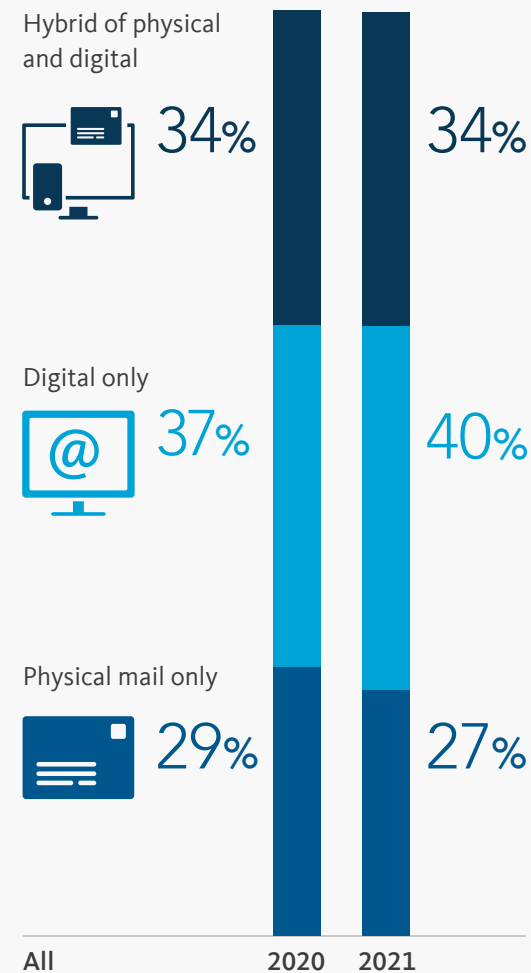
75%

switched at least one bill to paperless in the last year...

Yet only a small percentage shifted entirely to digital bills and statements.



### How consumers receive and access bills and statements



Note: Percentage may not add up to 100% due to rounding.



## Consumer preferences highlight opportunity.

Some consumers would **prefer** to receive **all** their communications digitally—but they're still receiving paper. Organizations can close this gap if they can up their digital game.

% of consumers  
who receive/would  
prefer to receive all  
communications  
digitally

### TOTAL

Currently receive 40%

Preference 45%

### MILLENNIALS

Currently receive 42%

Preference 50%

### GEN X

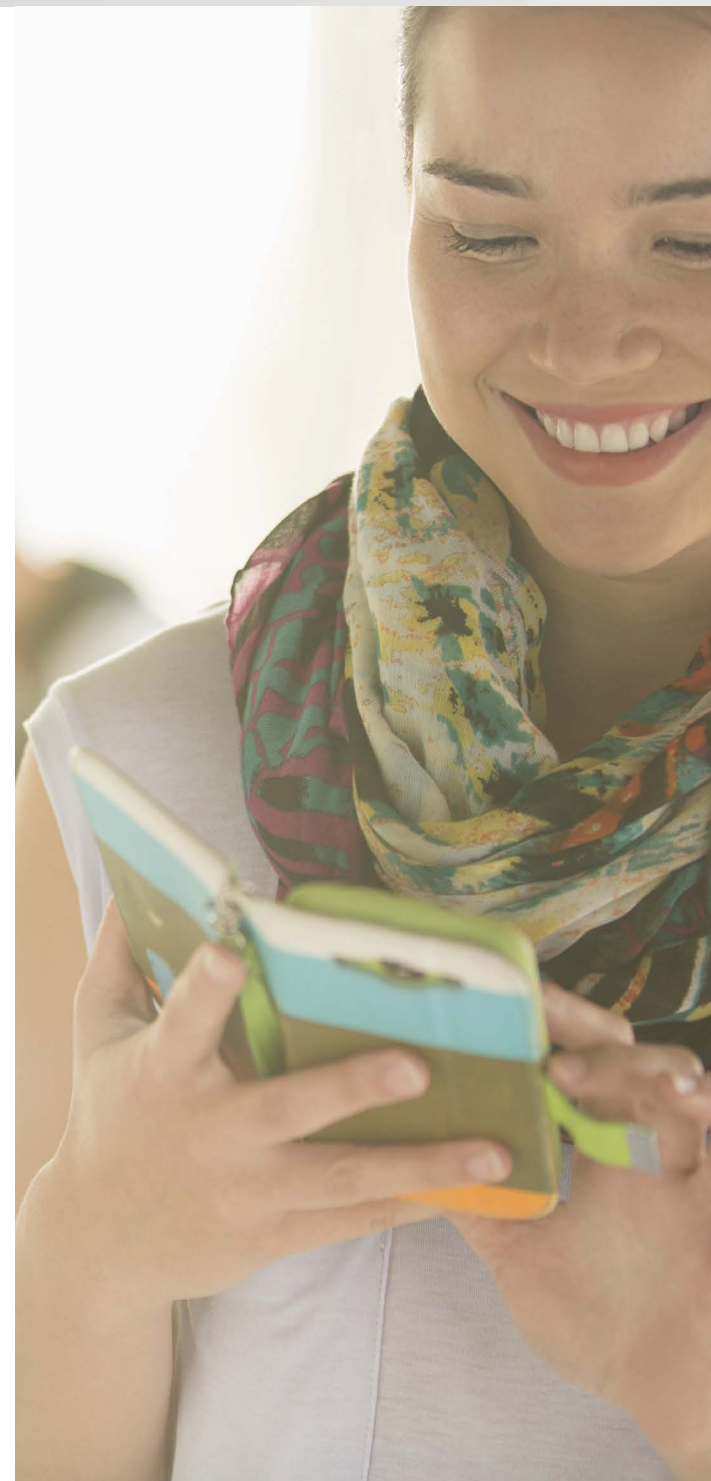
Currently receive 39%

Preference 46%

### BABY BOOMERS

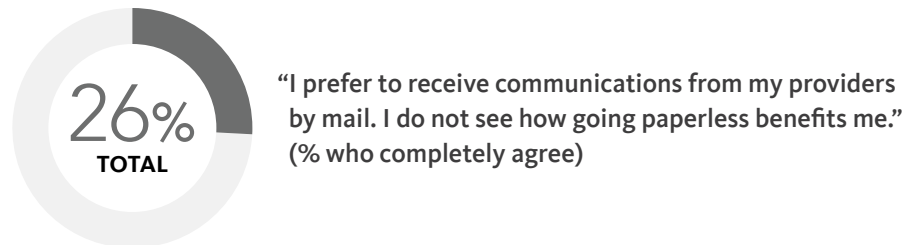
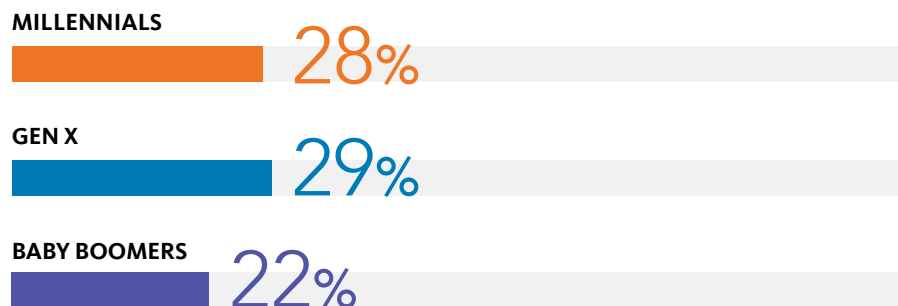
Currently receive 39%

Preference 43%



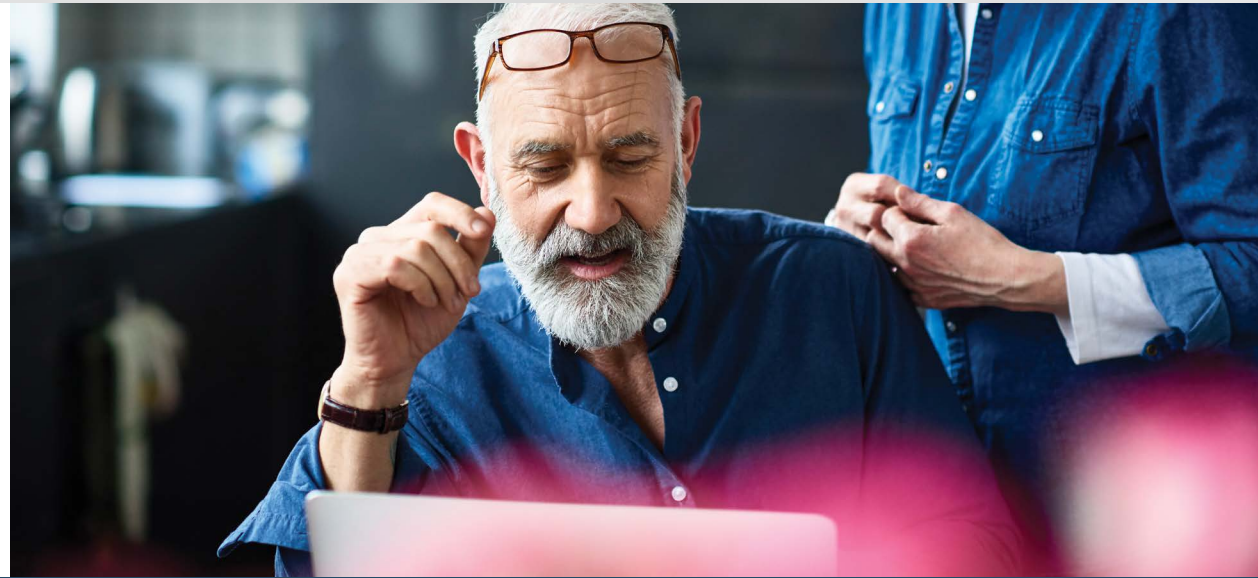
## Some still ask: “What’s in it for me?”

Some consumers see no benefit in going paperless.



### ▶ Innovate to drive engagement.

TD Bank built and deployed over 100 new capabilities to reach, inform and educate customers as the pandemic unfolded. They experienced a 20% increase in digital engagement over a 12-month span, 17% in the U.S. and 30% in Canada.<sup>3</sup>



## The Broadridge Perspective

There's opportunity in motivating those who value digital but still receive paper. Many Baby Boomers fit this category. When companies successfully tie paperless to other

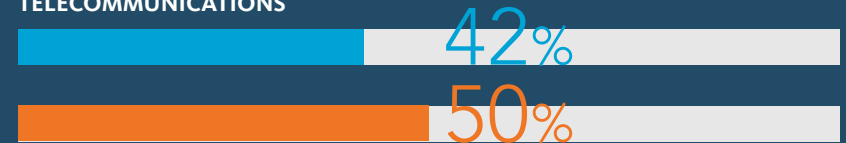
events such as changes to services, agreements or contracts, it can accelerate digital migration.

Three industries saw significant gains in digital since last year—and they're not necessarily industries that previously outperformed. Healthcare insurance, previously a laggard, made strong advances in the last year.

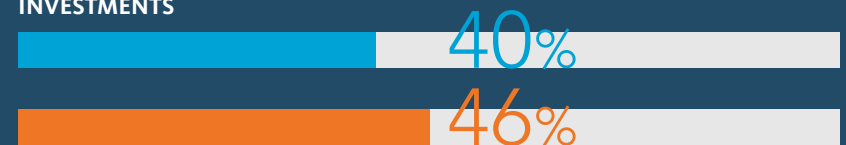
Top three industries:  
Year-over-year shift  
in digital-only bills  
and statements

■ 2020 ■ 2021

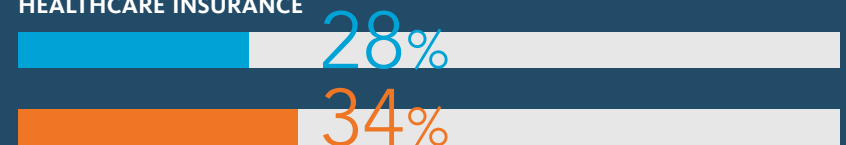
### TELECOMMUNICATIONS



### INVESTMENTS



### HEALTHCARE INSURANCE

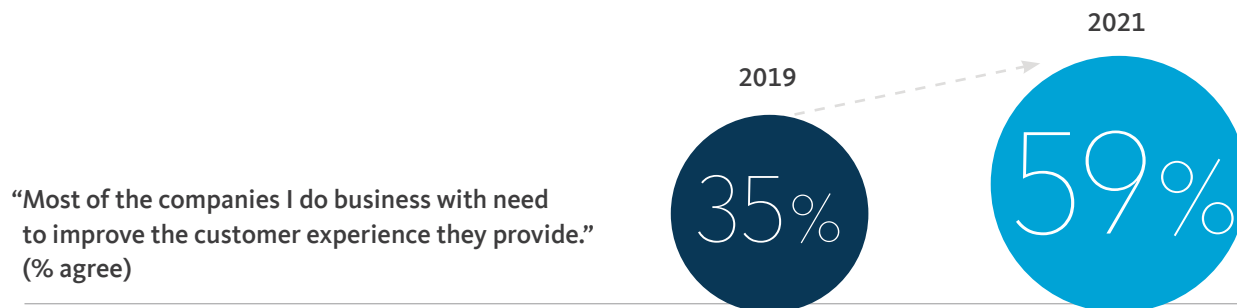


# As consumer expectations rise, more companies fall short.

Consumers make decisions on the quality of their experiences. Given the CX advances made in recent years, they have a better understanding of what's possible. The result: Their attitudes and actions have shifted dramatically—and companies must take notice.

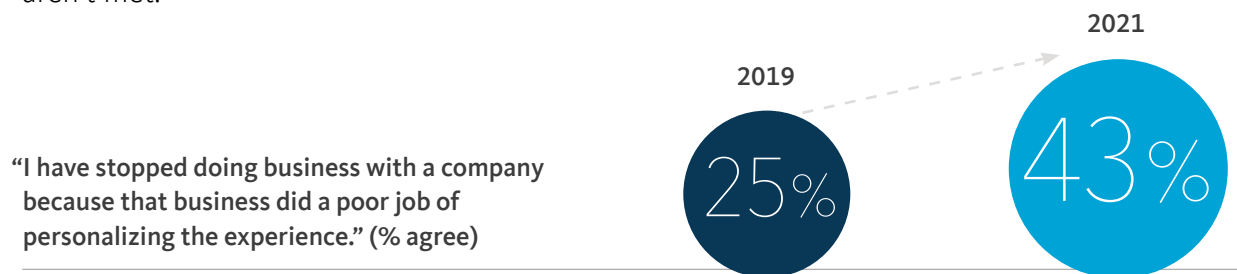
## Consumers push companies to do better.

Many more consumers feel that the companies they do business with have room to improve.



## They say “good-bye” when personalized experiences fall short.

There has been a big jump in consumers’ willingness to change providers if their CX expectations aren’t met.



## The Broadridge Perspective

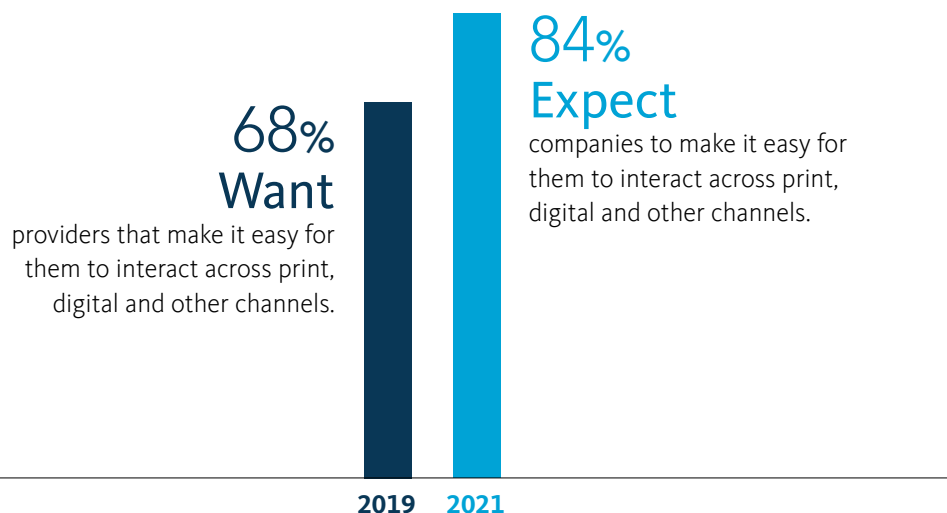
Consumers expect personalized and relevant communications from their providers—and delivering on that is just one aspect of what defines a good customer experience.

Broadridge clients that differentiate their communications leave no channel behind. They optimize print, but also consider digital touches, like employing a push strategy for digital to reduce the barriers to engagement.

With rising consumer expectations, it is critical to focus on personalized, interactive, data-driven and contextual communications.

## Seamless experiences: The new “must-have.”

Consumers no longer “want” you to deliver a seamless CX, they “expect” it. Today, **84% of consumers expect** to easily interact across physical and digital channels.



## The Broadridge Perspective

Market leaders have used technological advances to redefine what exemplary CX looks like. Companies who have settled for incremental improvements—often limited by in-house capabilities—have fallen further behind.

Broadridge clients have shared that access to new and emerging innovations has given them a competitive edge and inspired customer advocacy. Plugging these innovations into their existing experiences has also accelerated digital transformation.

To ensure consumers can easily interact across physical and digital channels, successful firms take an omni-channel, iterative, test-and-refine approach.

## The upside: There's revenue in getting it right.

Superior engagement and seamless experiences drive loyalty and sales.

Most consumers say they're likely to spend more with companies that offer a good CX. This is particularly true for Millennials and Gen Xers.

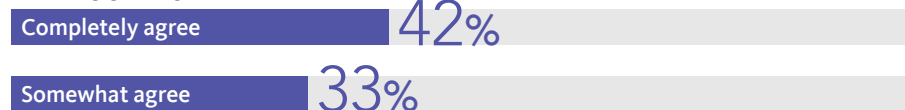
### MILLENNIALS



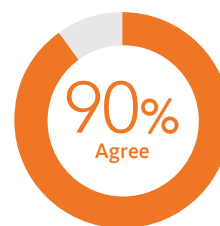
### GEN X



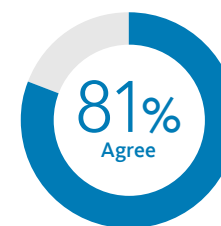
### BABY BOOMERS



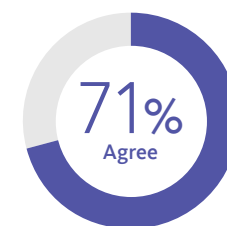
The majority of consumers also say they're more likely to purchase a new product or service after seeing a message in a bill or statement.



MILLENNIALS



GEN X



BABY BOOMERS



*"When the bill is color and it contains personalized offers, people spend more time reviewing it and they respond to offers more frequently. We're definitely seeing a greater frequency in responses to ads, even ones that our customers have seen 12 to 24 times, because they've been on the envelope or bill every month of the last year or two."*

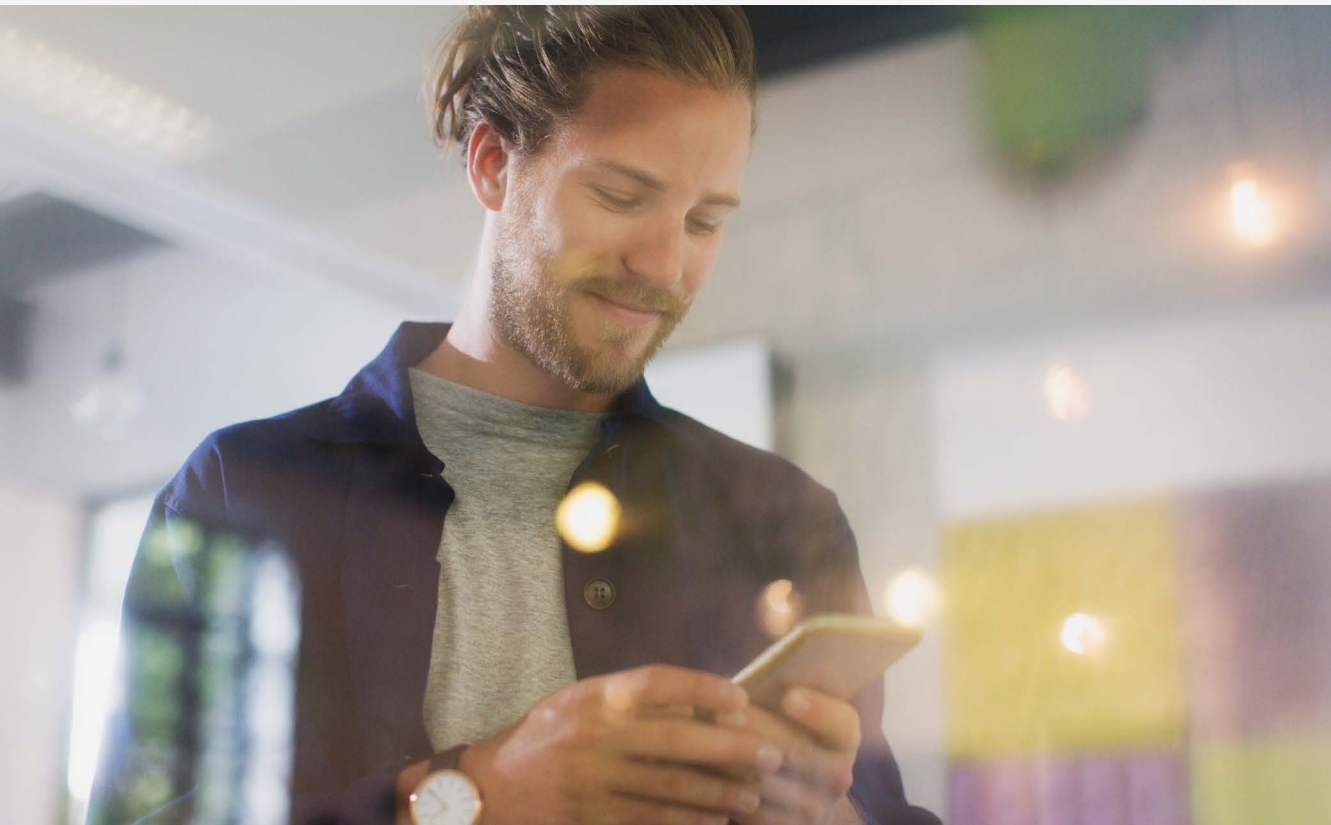
—TELECOMMUNICATIONS EXECUTIVE

# Master the basics: Clear, easy-to-understand information delivered in the right channel.

Across print and digital, consumers rate three factors of highest importance: plain language, channel choice and a quick read.

It pays to get right to the point.

- ✓ Use plain language.
- ✓ Let me choose how to receive my communications.
- ✓ Show me a summary of the most important items to know.



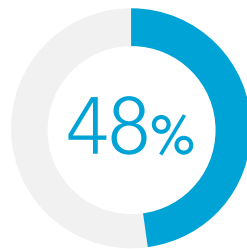
## The Broadridge Perspective

Creating a concise, intuitive first-page summary section is fundamental to any redesign initiative. For printed communications, use QR codes to drive to digital experiences—and for digital, create interactive elements that allow recipients to dive deeper from the summary experience. These summaries must be optimized for each channel to ensure the ultimate CX. Getting this right can go a long way toward satisfying your customers.

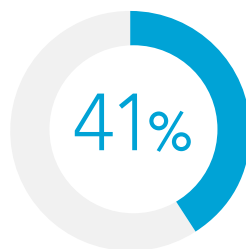
## The number one value of digital? Convenience.

To accelerate digital adoption, organizations must understand, convey and deliver what consumers value most about digital communications.

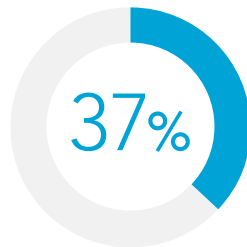
Primary reasons consumers prefer to receive certain bills and statements digitally



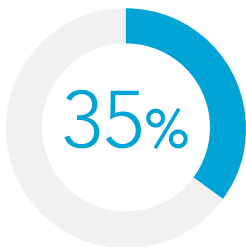
Convenience




Speed



Easier to track and manage



Declutters my physical space


**Digital drives convenience and speed.**

Allstate estimated the use of virtual tools to support auto claims increased from 50% to 90% in March 2020.<sup>4</sup>

## There are specific reasons why consumers prefer paper.

Many consumers still prefer to receive bills and statements by physical mail. Sometimes they want just paper. Sometimes they want both. To convince this segment to switch, firms must align digital CX with the values consumers find in paper.

### Primary reasons consumers prefer to receive certain bills and statements in paper form

50%

Want a paper record

41%

Paper reminds me to pay bills

30%

Easier to track and manage

27%

Comfortable with physical paper

23%

More likely to notice

### THE BIGGEST MYTH: ONLY OLDER FOLKS WANT PAPER.



Digital adoption rates are higher among younger consumers. There are also many Millennials and Gen Xers that see no value in going paperless. With channel choice among the most important contributors to quality



CX, it's critical to understand these underlying personas across every generation.

# Successful firms will meet customers where they are.

It's easy to engage every customer the same way. Delivering a personalized experience is not as simple—and that's what separates the good from the great.

Personalization isn't just about calling people by name, it's ensuring that content is pertinent, relevant and has value. It's also about engaging customers as they wish to be engaged.

## Three capabilities are essential to delivering a seamless channel experience.

### 1. Review and update your customer personas.

Effective segmentation and personalization is key to improving CX. Drill down into the specifics of your customer base.









### 2. Understand and optimize preferred channels.

Channel preferences can vary by industry, age and even communication type.










### 3. Consider the weakest link.

Every channel is your firm's opportunity to put its best foot forward—and bad experiences cast long shadows. Consider every channel, how it integrates with others and how the overall CX reflects upon your organization.

#### Preferred channels for **receiving** communications

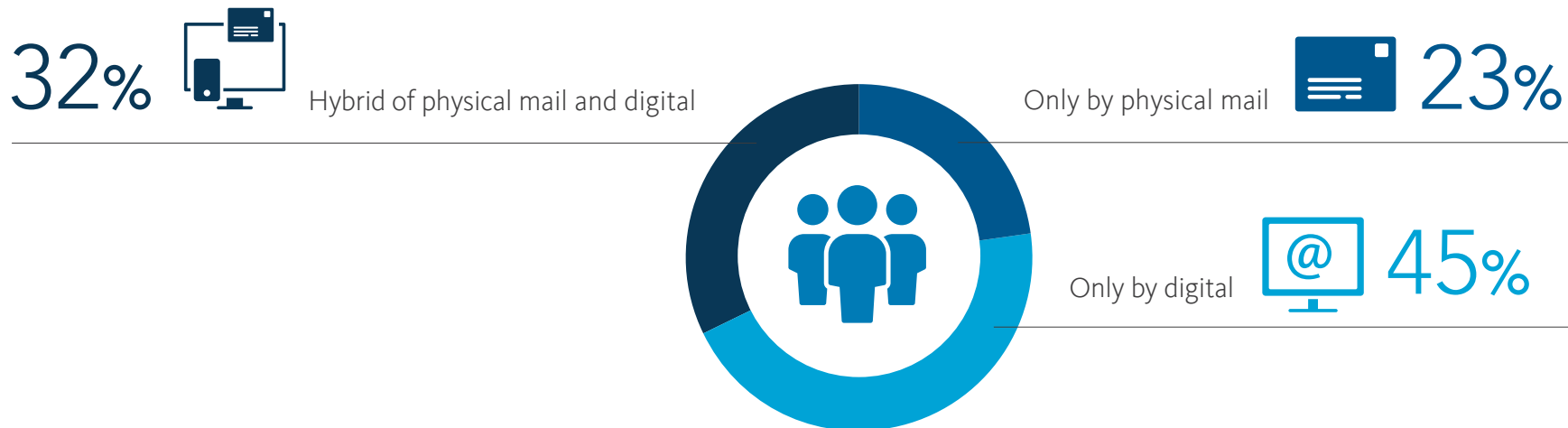
	MILLENNIALS	GEN X	BABY BOOMERS
1	 Email	 Email	 Email
2	 Text Message	 Physical Mail	 Physical Mail
3	 Phone	 Text Message	 Text Message

#### Preferred channels for **engaging** with companies

	MILLENNIALS	GEN X	BABY BOOMERS
1	 Email	 Email	 Email
2	 Website	 Website	 Physical Mail
3	 Text Message	 Text Message	 Phone

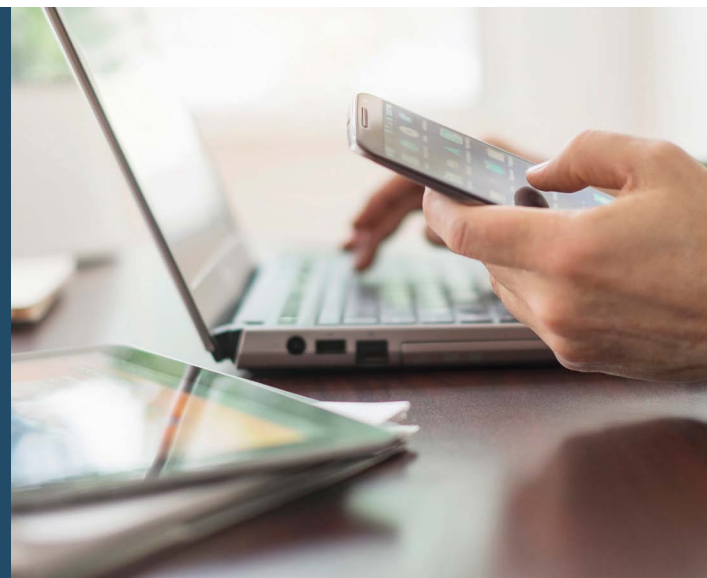
## Consumers have distinct delivery preferences.

How consumers would prefer to receive and access bills and statements



### The Broadridge Perspective

Some companies have mastered segmentation, personalization and omni-channel experiences. Their secret? They utilize identity and preference-management solutions to capture, centralize and unlock customer data and attributes. They also find creative ways to promote the benefits of dynamic, interactive, digital experiences using print—a point we'll cover more in the next section.



# Websites and emails alone won't cut it anymore. Consumers are ready for next.

To accelerate digital migration, companies must entice consumers to try digital and provide experiences that will keep them coming back. Often, this means introducing more digital options.

Our study highlighted four specific technologies and practices now becoming mainstream contributors to a winning CX.

1. QR codes
2. Mobile apps
3. Informational videos
4. Cloud storage

## QR codes gain real-world momentum.

QR codes were invented in 1994. In our 2019 research, less than 25% of consumers expressed interest in them. Two years later, we asked consumers if they would like companies to use them and half said yes. COVID likely played a significant role.

**2019**  
Interested/very  
interested in  
companies using  
QR codes

### MILLENNIALS

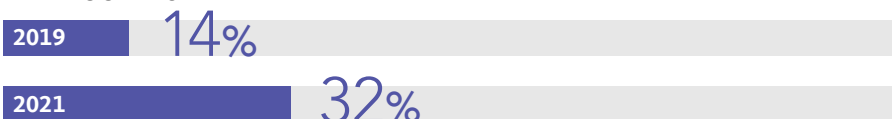


**2021**  
Agree/strongly  
agree they would  
like companies  
to use QR codes

### GEN X



### BABY BOOMERS



## The Broadridge Perspective

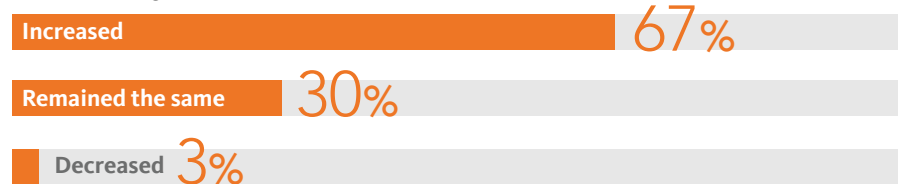
As awareness of QR codes increased, consumers across all generations experienced their value in creating seamless connections. For example, mentions about QR codes in restaurant reviews increased nine times in 2020.<sup>5</sup>

## Mobile apps fit with how consumers live, work and shop.

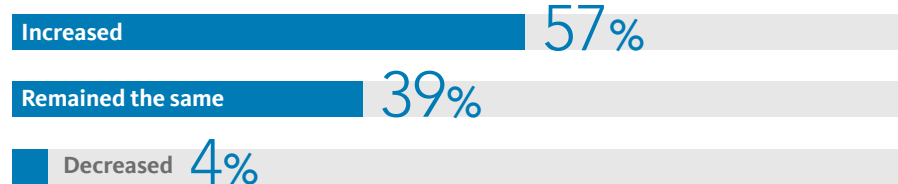
Mobile apps are designed for today's "anywhere and at-home" lifestyle, so it's not surprising to see an increase in mobile app usage for interactions with businesses.

"Since the COVID-19 pandemic began, my usage of mobile apps from the companies I do business with has..."

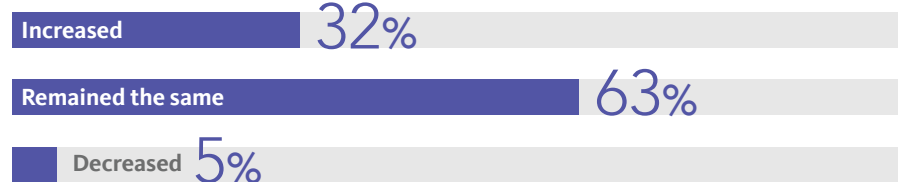
### MILLENNIALS



### GEN X

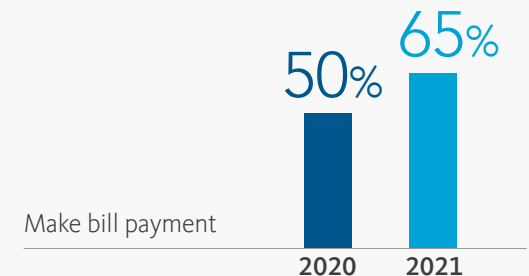
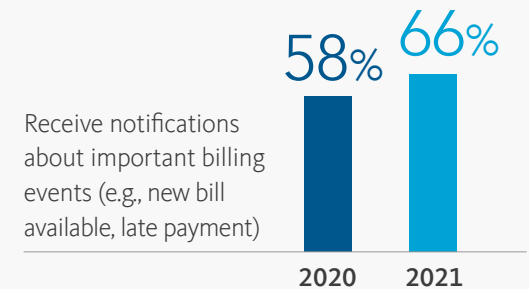
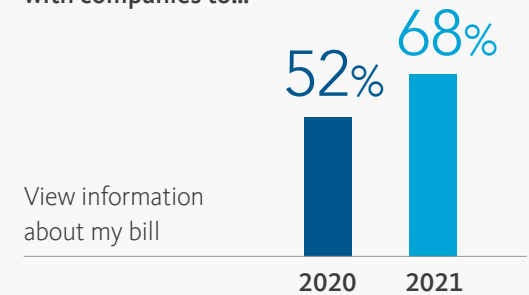


### BABY BOOMERS



Consumers' likelihood to use mobile apps to interact with companies about billing rose as well.

% likely to use mobile apps to interact with companies to...



## Informational videos: “Let me learn on my own time.”

Across generations, many consumers expressed interest in short, personalized informational videos to help them understand their communications. Recognizing videos are the next “new now” communication channel, leading companies are getting ahead of this trend to set their brand apart.

% interested in short informational videos to help them understand communications

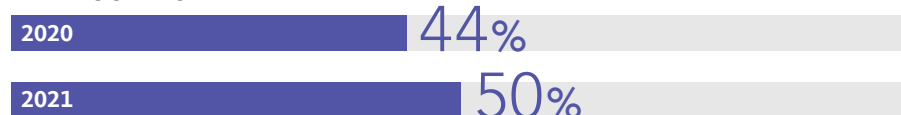
### MILLENNIALS



### GEN X

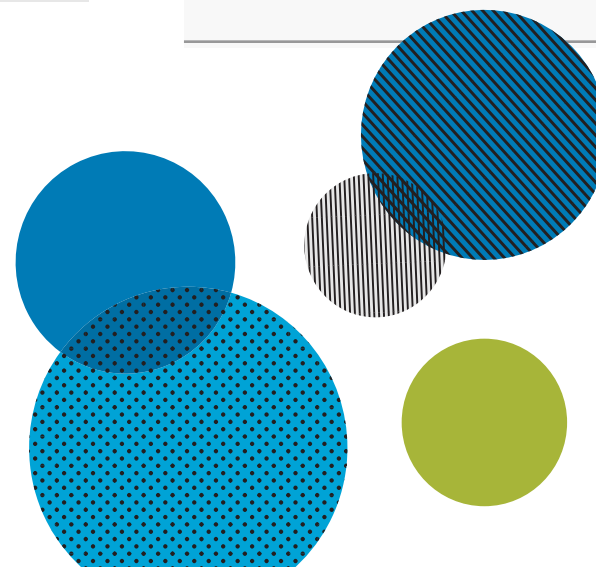


### BABY BOOMERS



## Technology drives business and consumer benefits.

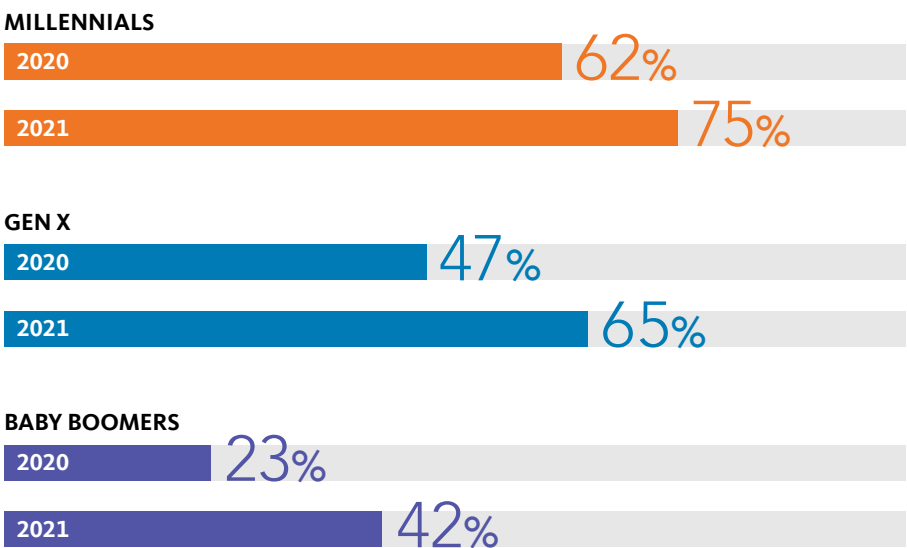
Xcel Energy’s personalized videos achieved impressive open rates (58%) and click-through rates (14%). The videos included the customer’s billing history and current consumption insights, then concluded with a COVID-19 message on payment options and assistance. These videos helped to drive a seven-point jump in Xcel’s Net Promoter Score. At a new total score of 36 points, this put Xcel well above the 15-point industry standard.<sup>6</sup>



## Cloud storage: Creating a digital “paper trail.”

Most consumers would like it if companies could deliver bills, statements, and other important documents directly into their online cloud storage locations. Interest grew across generations, with the biggest spike among Baby Boomers.

“It would be great if the companies I do business with could deliver my bills, statements, and other important documents directly into one central digital location I control.” (% agree)



## The Broadridge Perspective

All demographics of consumers are ready to try something new.

Consumers want different things from different companies, but they consistently expect better CX. Their wants and expectations continue to evolve—and they’re willing to switch providers if they’re not satisfied. All of this points to a more holistic, agile communications strategy. When you see the world through your customers’ eyes, you recognize that every touchpoint—from mandatory regulatory disclosures, to billing and statements, to educational and promotional communications—impacts the overall CX.

# Capitalize on the momentum.

Over the last year, the pandemic challenged traditional approaches—notably boosting digital experimentation. Even so, entrenched communications preferences have made one thing clear: Creating engaging experiences that facilitate omni-channel interaction will be paramount to guiding behavior and establishing credibility as a communications and CX leader.

## **Broadridge can help.**

Broadridge delivers nearly 7 billion digital and print communications each year across markets. Find out how we can help execute your print-to-digital strategies through the Broadridge Communications Cloud,<sup>SM</sup> an end-to-end communications platform for creating, delivering and managing omni-channel communications and customer engagement.

**To learn about our omni-channel communications and engagement solutions, contact us today >>**

To scan, simply open the camera app on your mobile device and point the camera at the QR code.



## More insight—only from Broadridge.

This marks the third annual Broadridge study of trends in consumer communications and CX. If there are CX and communications topics you would like to see in future research reports, please let us know by emailing [customercommunications@broadridge.com](mailto:customercommunications@broadridge.com).

### Gain a look at past studies

2019: Bills, statements and the critical CX impact >>



2020: Communication CX: Insights and Implications >>



### ABOUT THIS STUDY

Broadridge commissioned Engine to conduct this CARAVAN Omnibus Survey. The 43-question survey was administered between December 3–10, 2020, to 3,000 U.S. and Canadian residents aged 25 and older. The U.S. data was weighted to age, gender, region, race and education. The Canadian data was weighted to age, gender and region. The figures are statistically significant at the 95 percent confidence level with a margin of error of  $\pm 2$  percentage points.

## FOOTNOTES

<sup>1</sup><https://www.americanbanker.com/news/bofas-goal-for-digital-banking-no-customer-left-behind>

<sup>2</sup><https://www.bizjournals.com/dallas/news/2020/10/28/pandemic-boosts-transition-to-virtual-primary-care.html>

<sup>3</sup><https://www.borndigital.com/2020/06/18/bankings-new-normal-td-chief-digital-officer-rizwan-khalfan>

<sup>4</sup><https://www.allstatenewsroom.com/news/amid-crisis-allstate-helping-customers-with-extended-coverage-payment-relief/>

<sup>5</sup>*Modern Restaurant Management*, January 2021

<sup>6</sup><https://www.globenewswire.com/news-release/2020/10/09/2106257/0/en/Xcel-Energy-Nominated-for-People-s-Choice-Award-with-Apogee-s-Personalized-Video-Messaging.html>

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Ready for Next

Communications  
Technology  
Data and Analytics